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ASIA EDITION

Market cap in APAC touches $200 bn

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Market cap of APAC bioscience firms touches $200 bn



About 500 bioscience companies comprising pharmaceutical, biotechnology and medical technology companies listed on different stock exchanges in Asia Pacific (APAC) region and in American stock exchanges, with total revenue of $139 billion for the year ended December 31, 2011, have market capitalization of $200 billion (as of first week of May 2012), according BioSpectrum Asia survey.

The survey says the top 20 companies in the region, which are into research and development, manufacturing and marketing of life sciences products, have recorded a market capitalization of $100 billion and the top 50 companies have market capitalization of $138 billion. Irrespective of countries of operation, the companies that are into research and development and have a pipeline of products have huge market share as their share prices are higher than the companies that are into sales and marketing.

Companies from three nations, namely India, Australia and China, account for over 80 percent of the total market capitalization. Indian companies have the highest share followed by Chinese and Australian companies. From the remaining 20 percent share, bioscience companies from South Korea, Taiwan, Singapore and Malaysia account for close to 15 percent of market capitalization.

All the leading listed companies (in terms of sales revenue) in the region figure in the list of top 50 companies. As many as 40 companies out of 358 listed at different stock exchanges in APAC region account for market capitalization of over $1 billion. Over 70 companies listed on Taiwan stock exchange have market capitalization of $7.56 billion.

The market capitalization of bioscience industry has seen an increase of 25 percent in the last three years. Around 20 leading companies who together had market capitalization of $57 billion in 2009 recorded a jump of about 30 percent in 2010 with few exceptions. Most of the companies recorded an increase. Market capitalization for CSL of Australia increased from $14.8 billion in 2009 to $18.3 billion in 2010. The figure went up to $19.6 billion in 2012. However, few companies from India, who recorded an increase in market capitalization in 2010 over 2009, registered a drop in 2012. The Chinese companies on the other hand witnessed no major changes in their market capitalization in the last couple of years.

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The bioscience industry in Asia Pacific, which has been growing in terms of value and volume, has been affected by global economic crisis with the local currencies becoming weaker against the dollar. However, the companies in the region who have been spending on innovation and research and development have maintained a steady growth in their share prices and market capitalization in the last couple of years.

The market capitalization for about 100 listed companies, mainly from India and Australia, stood at $60 billion in 2010, providing a good platform for investors investing in bioscience industry. This indicates that these two countries from Asia Pacific region (having the maximum number of listed life sciences companies) will continue to have companies going public in the coming months.

In 2012, 65 companies from Australia, most of whom are into R&D, have a total market capitalization of $36.89 billion. Five companies from the country have market capitalization of over $1 billion each. CSL leads the table in the region with market capitalization of over $19 billion, followed by Sun Pharma from India with $12.32 billion. Mesoblast, with revenue of $37.73 million, figured in the list of top 20 leading companies with market capitalization of $2.22 billion.

Although companies such as Acrux, Starpharma, Phosphagenics, Prima Biomed and Bionomics, all listed on Australian stock exchange, recorded less than $10 million revenue in 2011, they generated a lot of interest among investors. This is indicated by their market capitalization of over $150 million. In the list of market capitalization in the region, only 10 companies have crossed the $300 million mark, while around 20 companies are below the $10 million mark.

Over 70 companies in China together have a market capitalization of $54.47 billion. And 16 companies in the country are above the $1 billion mark. Sinopharm, a leading company in the region with revenue of $16.35 billion, has a market capitalization of $5.59 billion. It is next to Yunnan Baiyao Group, also from China, which has revenue worth $1.81 billion and market capitalization of $5.84 billion.

In South Korea, about 40 companies have created market capitalization of over $14.96 billion. Medipost from South Korea, with sales revenue of $55 million, has good market potential as its market cap stands at $673 million. Similarly, Seegene ($35.46 million), Komipharm International ($18.27 million) and MedyTox ($19.53 million) generated fair amount of interest among investors through their R&D initiatives. These companies have market capitalization of $495 million, $399.6 million and $223.47 million, respectively.

In India, the companies whose revenues are over $1 billion and are into research and development, manufacturing and marketing of life-saving products have market capitalization of over $1 billion. In all, 15 companies are above the $1 billion mark.